



*The Commonwealth of Massachusetts
Executive Office of Health and Human Services
One Ashburton Place, Room 1109
Boston, MA 02108*

DEVAL L. PATRICK
Governor

TIMOTHY P. MURRAY
Lieutenant Governor

JUDYANN BIGBY, M.D.

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July 13, 2007

Dear Chief Executive Officer:

The Executive Office of Health and Human Services (EOHHS) is soliciting applications for grants from the Essential Community Provider Trust Fund (the Fund), established under section 2PPP of chapter 29 of the General Laws, for the purpose of making grant payments to hospitals and community health centers in state fiscal year 2008. EOHHS will issue these grants under the provisions of 815 CMR 2.00, which governs the rules and procedures for grants by state agencies, and requires an open public competitive procurement process.

EOHHS shall authorize not less than \$28,000,000 in expenditures from the Fund for the purpose of a grant program to improve and enhance the ability of hospitals and community health centers to serve populations in need, more efficiently and effectively, including, but not limited to, the ability to provide community-based care, clinical support, care coordination services, disease management services, primary care services and pharmacy management services through a grant program. EOHHS shall consider applications from acute hospitals, non-acute hospitals and community health centers in awarding the grants. The criteria for selection shall include, but not be limited to the following:

1. financial performance measures including negative operating margins, insufficient cash flow, technical bond default and the uncertain ability to cover long-term obligations, as well as potential for loss of critical community services
2. the percentage of patients with mental or substance abuse disorders served by a provider
3. the number of patients served by a provider who are chronically ill, elderly, or disabled, provided that in the case of a community health center, that preference be given to the provision of a Program of All-Inclusive Care for the Elderly ("PACE")
4. the payer mix of the provider, with preference given to acute hospitals where a minimum of 63 percent of the acute hospital's gross patient service revenue is attributable to Title XVIII and Title XIX of the federal Social Security Act or other governmental payers, including reimbursements from the Health Safety Net Trust Fund
5. the percentage of total annual operating revenue and funding received in fiscal years 2005 and 2006 from the Distressed Provider Expendable Trust Fund comprised for the provider
6. the percentage of total annual operating revenue and funding received in fiscal year 2007 from the Essential Community Provider Trust Fund comprised for the provider
7. the cultural and linguistic challenges presented by the populations served by the provider

8. a documented critical need for investment in information technology such as Computerized Physician Order Entry systems but without access to capital to finance such investments
9. the provision by a community health center of twenty-four hour emergency services.

EOHHS may further authorize distributions on an emergency basis to acute hospitals, non-acute hospitals, and community health centers facing extreme financial distress or closure upon petition from the provider.

Each applicant will be required to complete a grant application and indicate whether they are applying for a grant as a financially distressed provider or as an essential provider. The applicant must provide a brief description of their grant request that includes the following: The amount the applicant is requesting, the intended use of the funds, the specific purpose that will be addressed and a timeline for implementation of the project(s) funded by the grant. In addition, the applicant will be asked to provide baseline outcome measures and target outcome measures that would enable an assessment of the success of the project(s).

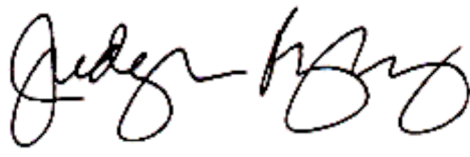
Grant applications will be reviewed and scored based upon the above criteria, and EOHHS will also consider financial distress, capital needs, and other factors. The distribution to providers awarded a grant may be in two stages and grantees will be required to maintain supporting documentation of their expenditures. In addition to providing baseline and outcome target measures, if awarded a grant, the grantee will also be required to provide future outcome measures and a report on the success of the grant award.

The ownership of any equipment purchased with these grant funds will be with the grantee, and the grantee is not required to provide matching funds or in-kind resources if grant funds are awarded. In addition, each grantee will be required to provide an executed Commonwealth Terms and Conditions, Commonwealth Standard Contract Form, an IRS W-9 form, certification of tax compliance, Contractor Authorized Signatory Listing Form, and other forms as required. These forms can be located at the Operation Service Division website at www.comm-pass.com.

To receive consideration for these grants, a provider must return an application to EOHHS through the Division of Health Care Finance and Policy **no later than 4:00 p.m. on Tuesday, July 31, 2007**. The grant application and instructions are available online and can be downloaded from the EOHHS website at www.mass.gov/eohhs or from the Division of Health Care Finance and Policy website at www.mass.gov/dhcfp. Follow the link in News & Updates to the ECPTF Application. Once completed, the provider must submit the application, via e-mail attachment, to kevin.flynn@state.ma.us. Questions should be directed to Kevin Flynn at 617-988-3206.

The EOHHS anticipates announcing the recipients of these grants in September.

Sincerely,

A handwritten signature in black ink, appearing to read "JudyAnn Bigby". The signature is fluid and cursive, with the first name "JudyAnn" and last name "Bigby" clearly distinguishable.

JudyAnn Bigby, M.D.
Secretary